

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - June 6, 2005

United States Attorney Carol C. Lam announced that Charles William Naron, the principal of an Internet pharmacy business known as “MyRxForLess,” was sentenced today to serve thirty months in custody by United States District Court Judge Jeffrey T. Miller in federal district court in San Diego on federal charges related to Naron’s role in an Internet pharmacy scheme. Naron pled guilty in January 2005 to conspiracy, conspiracy to launder money, and to criminal forfeiture. Judge Miller also ordered Naron to forfeit his interest in two pieces of real property in Florida and four bank accounts, because those interests were obtained with the unlawful proceeds of the Internet pharmacy scheme. The court also ordered Naron to pay a \$6,000 fine, to file amended tax returns for the tax years 2002 and 2003, and to pay all unpaid taxes. Naron was ordered to surrender to the designated correctional facility on September 2, 2005.

According to Assistant U.S. Attorney Melanie K. Pierson, who prosecuted the case, Naron admitted, in connection with his guilty plea, that beginning in December 2002 and continuing up to the time of his

arrest on November 5, 2004, he operated an Internet pharmacy business, known as MyRxForLess, located in Lake Worth, Florida. Naron acknowledged that MyRxForLess had a website by which customers could order prescription drugs without having a prior prescription. The website falsely stated that all the drugs were obtained from a reputable Mexican pharmacy, and falsely indicated that individuals could lawfully import a 90-day supply of prescription pharmaceuticals into the United States from Mexico.

Naron further arranged to have individuals in Mexico, associated with pharmacies, purchase pharmaceuticals in Mexico and ship them to the customers of MyRxForLess through the mails. Naron also purchased monthly shipments of “generic” Viagra and “generic” Cialis from Mark Kolowich, in San Diego, knowing that these pharmaceuticals were not made by the manufacturers which own the trademarks and trade names for Viagra and Cialis. Instead, these “generic” drugs were manufactured for Kolowich by persons in India and Mexico. The monthly shipments of “generic” Viagra and Cialis were sent from San Diego by private commercial interstate carrier to Naron in Florida and to an individual in Arizona, after which they were distributed to customers of MyRxForLess. Kolowich, the owner of World Express Rx, previously pled guilty to conspiring to sell counterfeit pharmaceuticals, commit mail fraud, and smuggle pharmaceuticals, and to conspiracy to launder money; he was sentenced to serve 51 months in custody.

Naron has acknowledged that he knew that these “generic” pharmaceuticals could not be lawfully imported or sold in the United States because they were not approved for sale in the United States by the Food and Drug Administration, they were labeled in the Spanish language, and because neither Naron, or MyRxForLess, or any of its officers or employees possessed a license to import or to make wholesale purchases or sales of prescription pharmaceuticals. The value of the illegal pharmaceuticals sold by MyRxForLess for the period from December 2002 to November 5, 2004, was between \$1 million and \$2.5 million.

The proceeds of the credit card sales of the pharmaceuticals through the website of MyRxForLess were deposited in the account of World Express Processing in San Diego, California. Pursuant to an agreement with World Express Processing, Naron directed that, after the proceeds of the credit card sales were deposited in the account of World Express Processing and the processing fee was deducted, the

remaining funds be wire transferred from San Diego, California, to Naron's account in Florida on a weekly basis. The funds deposited in Naron's account in Florida were used to further the operations of MyRxForLess, such as purchasing additional pharmaceuticals and paying for the answering service and the website.

DEFENDANT

Charles William Naron

Criminal Case No. 04-CR-2987-JM

SUMMARY OF CHARGES

Conspiracy, in violation of Title 18, United States Code, Section 371

Maximum Penalty: 5 years in custody and/or \$250,000 fine

Conspiracy to Launder Money, in violation of Title 18, United States Code, Section 1956(h)

Maximum Penalty: 20 years in custody and/or \$500,000 fine

Criminal Forfeiture, in violation of Title 18, United States Code, Sections 981 or 982

AGENCIES

Federal Bureau of Investigation

Food and Drug Administration - Office of Criminal Investigations

Internal Revenue Service - Criminal Investigations Division

Immigration and Customs Enforcement - Department of Homeland Security

U.S. Postal Inspection Service

Chula Vista Police Department